

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 16163 142035Z
ACTION COME-00

INFO OCT-01 EA-10 ISO-00 EB-08 /019 W
-----028739 151929Z /11
R 140852Z SEP 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 1571

LIMITED OFFICIAL USE MANILA 16163

E.O. 11652: N/A
TAGS: BENC, RP
SUBJECT: MAJOR PROJECT: INTEGRATED STEEL MILL

REFS: A. 77 MANILA 20202, B. STATE 207343

1. SUMMARY. FOLLOWING ARE ANSWERS TO QUESTIONS POSED
IN REFTTEL B CONCERNING PHILIPPINE INTEGRATED STEEL MILL
AND POSSIBLE SECOND MILL IN LUZON. END SUMMARY.

2. SIZE OF INTEGRATED STEEL MILL HAS BEEN SET ALONG
LINES REPORTED IN REFTTEL A, A TWO-FURNACE CONFIGURATION
IN TWO STAGES, THE FIRST TO HAVE 1.2 MILLION MTPY CAPACITY
AND THE SECOND (APPROXIMATELY 5 YEARS LATER) TO HAVE
ABOUT SAME CAPACITY, FOR TOTAL OF 2.4 MTPY.

3. FINAL FEASIBILITY STUDY WILL BE UNDERTAKEN THIS
OCTOBER AT THE EARLIEST, WILL PROBABLY BE COMPLETE BY
THE FIRST QUARTER OF 1979, AND IS TO BE FUNDED BY JICA
GRANT. TWO PRE-FEASIBILITY STUDIES HAVE ALREADY BEEN
COMPLETED, ONE BY NIPPON STEEL, AND THE OTHER BY BOTH
NIPPON STEEL AND KAWASAKI STEEL, THE SECOND REPORT WAS
DESCRIBED BY DR. ANTONIO ARIZABAL, EXECUTIVE DIRECTOR
OF METALS INDUSTRY RESEARCH DEVELOPMENT COUNCIL (MIRDC),
AS "DETAILED AND COMPLETE", "ALMOST A FEASIBILITY STUDY"
IN SCOPE. HE IMPLIED THAT FINAL FEASIBILITY STUDY WOULD
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 16163 142035Z

NOT DIFFER SIGNIFICANTLY FROM FINDINGS OF SECOND REPORT.

4. PRESENT TIMETABLE FOR PROJECT PROVIDES FOR
COMPLETION OF FINAL FEASIBILITY STUDY BY FIRST QUARTER
1979, COMPLETION OF GENERAL ENGINEERING STUDY, INCLUDING
FORMULATION OF SPECS, BY MID-1979, AND OPENING OF BIDS
BY LATE 1979 OR EARLY 1980. PROJECT WILL BE BROKEN

INTO ABOUT 12 PACKAGES, EACH PACKAGE TO BE WORTH ABOUT \$50 TO 100 MILLION.

5. EMBASSY NOT AWARE OF PLANS FOR SECOND INTEGRATED STEEL MILL. ARIZABAL, WHO IS ALSO DIRECTOR OF METALS INDUSTRY DIVISION OF BOARD OF INVESTMENTS (BOI), ALSO KNOWS NOTHING ON SECOND PLANT IN LUZON. ARIZABAL WAS SCEPTICAL OF DOS ISABELOS' (DI) CLAIMS OF AUTHORIZATION FOR SECOND MILL, POINTING OUT THAT A PROJECT OF THAT SIZE WOULD NOT BE GIVEN TO UNKNOWN COMPANY WITH NO EXPERIENCE IN INDUSTRY.

6. EMBASSY UNDERSTANDS DI HAS UNSUCCESSFULLY LOBBIED FOR FIRST INTEGRATED STEEL PROJECT, LOSING OUT TO CAGAYAN D' ORO LOCATION. CONCERNING BUYBACK SCHEME INITIATED BY DI, NEITHER THE CHAIRMAN OF BOARD OR SENIOR VICE PRESIDENT OF DI ARE KNOWN IN THE MINING SECTOR, AND BUREAU OF MINES HAS NO RECORD OF MINING PROPERTIES IN THEIR NAMES. DI CLAIMS THAT OTHER MEMBERS "CONNECTED" WITH CORPORATION HAVE CLAIMS. HOWEVER, THESE PROPERTIES HAVE NOT YET BEEN MINED. IT IS DOUBTFUL THAT DI HAS METALS MENTIONED IN REFTTEL B.

7. ARIZABAL MENTIONED THAT HE COMES ACROSS THESE KINDS OF CASES OFTEN, BUT THAT HE WOULD CHECK OUT LEGITIMACY AND ACCURACY OF DI'S OFFER AND CLAIM. WILL REPORT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 16163 142035Z

FURTHER INFORMATION AS IT BECOMES AVAILABLE. TOUSSAINT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA16163
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780376-0821
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780967/aaaacczb.tel
Line Count: 95
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 45152250-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 MANILA 20202, 78 STATE 207343
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1434427
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: INTEGRATED STEEL MILL
TAGS: BENC, RP
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/45152250-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014